



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
One Ashburton Place, Room 805
Boston, MA 02108*

DEVAL PATRICK
Governor

TIM MURRAY
Lieutenant Governor

LESLIE KIRWAN
Board Chair

JON M. KINGSDALE
Executive Director

**Board of the Commonwealth Health Insurance Connector Authority
Regular Meeting**

Friday, October 17, 2008 – 2:10 PM
One Ashburton Place, 21st Floor
Boston, MA 02108

Attendees: Leslie Kirwan, Jon Kingsdale, Rick Lord, Celia Wcislo, Dolores Mitchell, Nancy Turnbull, Jonathan Gruber, Louis Malzone, Tom Dehner, Ian Duncan, and Nonnie Burns.

Meeting was brought to order at 2:12 PM. Secretary Kirwan made opening remarks on the fiscal situation and stated that maintaining the progress of health care reform is a priority.

1. **Minutes:** Minutes of the previous regular meeting, which occurred on September 16, 2008, were accepted by unanimous vote.
2. **Executive Director's Report:** Jon Kingsdale discussed the progress of the development of the CommChoice Contributory Plan (CP), which is slated to launch in pilot form in mid/late November for an earliest coverage effective date of January 2009. He stated that CP training sessions for insurance brokers have been very well-received. He also stated that the transition from CommCare's current customer service/billing vendor to its new vendor, Perot Systems, is on track to be completed on November 3rd as scheduled. He thanked staff for their work on the revised minimum creditable coverage (MCC) regulations and stated that staff would be participating in a series of educational sessions for employers on this topic across the state later in the Fall.
3. **Minimum Creditable Coverage:** Secretary Kirwan stated that she is proud of the work that has gone into the proposed regulations and that they reflect Board input. She stated that the proposed regulations are not perfect and that she acknowledges the importance of compromise. She stated that staff will closely monitor the impact of new regulations going forward, and that a purpose of today's discussion should be to identify aspirational goals related to possible regulatory changes in the future.

Robert Carey and Jamie Katz then came before the Board to present a summary of the proposed revised MCC regulations. Mr. Carey opened the presentation by thanking the Board members for being fully engaged in the process of drafting the regulations. He stated that, over the past 18 months, he's learned a lot about how Massachusetts employers provide health insurance coverage to their employees. He then narrated a Powerpoint presentation on the proposed regulations. Mr. Lord asked if the new regulations clarify how the drug deductible cap applies to high-deductible health plans/health savings accounts (HDHPs/HSAs). Mr. Carey stated that they did. Mr. Duncan asked if the preventive care requirement applies to HDHPs/HSAs. Mr. Carey responded yes. Ms. Wcislo and Mr. Gruber asked separately if the requirements set to go into effect on January 1, 2009 will continue to apply when

additional requirements go into effect on January 1, 2010. Mr. Carey responded yes to both. Mr. Duncan stated that the regulations trouble him and asked how “standard ESI coverage” is defined and how such a standard would apply to employers that are not located in Massachusetts. Mr. Carey responded that a flexible appeals process would allow such issues to be addressed. Mr. Lord stated that he wanted to thank employers of all sizes for their input into the drafting process. Ms. Mitchell asked if staff could track and report MCC “near misses” so the Board can spot and understand patterns that may emerge. Mr. Carey responded yes. Mr. Duncan stated the regulations made him uncomfortable and would create an annual burden for employers. Mr. Kingsdale, Secretary Kirwan, and Mr. Katz stated separately that the regulations provide for flexibility and for a process by which individuals can obtain waivers. After some discussion, Mr. Duncan stated that his concerns had been addressed and he felt comfortable with the regulations. Mr. Dehner stated that he was concerned that regulations may be too complicated and will grow more so over time as additional requirements are added. Ms. Wcislo, Ms. Turnbull and Ms. Mitchell stated separately that the regulations may become more specific over time. Mr. Duncan requested that, as a “parking lot item,” staff note the possibility of creating other “safe harbor” situations to relieve administrative burdens. Mr. Gruber stated that some aspects of the regulations, such as maximum deductibles, will have to be updated over time. Ms. Wcislo thanked the staff for the realistic, balanced approach. Mr. Lord stated that he appreciates the flexibility provided by the regulations and asked that the appeals process be flexible and generous. Ms. Turnbull stated that the regulations represent a good, realistic compromise. Mr. Dehner thanked the staff and stated that the regulations are a very imperfect, blunt tool. Mr. Malzone commended the staff and Board. Mr. Gruber stated that he strongly seconded Mr. Malzone’s remarks. A motion for approval of the regulations was made and approved unanimously.

4. **Commonwealth Choice: Contributory Plan Update:** Kevin Counihan and Cheryl Ierna came before the Board to present a summary of the CP shopping experience for brokers and employees currently under development. Mr. Counihan opened the discussion with remarks on the progress being made to educate brokers about the development of CP. Mr. Duncan stated that the CP product sounds very ground-breaking. Ms. Ierna then narrated a Powerpoint presentation on the shopping experience. Ms. Turnbull asked if there would be age-adjustment for employees who select plans not designated as their employer’s benchmark plan. Mr. Counihan responded yes. Mr. Malzone asked if participating insurance carriers agreed to lock-in rates for 12-months, even if an employer’s census changes. Ms. Ierna responded yes.
5. **Commonwealth Care: Quarterly Program Update:** Melissa Boudreault then came before the Board to narrate a Powerpoint presentation regarding the CommCare program. Mr. Gruber asked if enrollment for fiscal year 2009 was still projected to reach 225,000. Mr. Kingsdale stated that staff is currently working to re-project enrollment. Ms. Wcislo asked for clarification on enrollment by plan type and, specifically, what has happened to Plan Type I members over the previous 12-month period. Ms. Boudreault responded that information on this topic will be provided at a future meeting. Ms. Turnbull asked if the recent change in premium-relativity may be responsible for the drop in overall enrollment. Ms. Boudreault responded that information on this topic will be provided at a future meeting. Ms. Turnbull also requested a full discussion on a variety of issues related to eligibility and a re-engagement on the topic of ESI buy-in. Ms. Mitchell asked if staff knew what was happening to individuals who were exempt from the mandate due to affordability. Mr. Kingsdale stated that good information on these individuals is not yet available. Ms. Mitchell stated that she would like to understand what has happened to these individuals.

Meeting was adjourned at 4:21 PM.

Respectfully submitted,
Eric R. Dahlberg